



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 12, 2011

The Honorable Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Stearns:

Pursuant to our discussions with subcommittee staff, as well as our continued recognition of the importance of the accommodation process by which the Executive branch and Congress work together in addressing each other's legitimate needs and concerns, the Office of Management and Budget (OMB) yesterday provided the subcommittee with access to additional documents responsive to your March 14, 2011 request for communications relating to the loan guarantee awarded by the Department of Energy (DOE) to Solyndra, Inc. (Solyndra). These documents consisted of all e-mails (including attachments) we have identified between OMB and DOE (and between OMB and Solyndra) that refer to Solyndra, covering the time period from 2007 through the final apportionment of the credit subsidy cost for the Solyndra loan guarantee on September 2, 2009.*

As noted in my letter of June 22, 2011, in the course of OMB's review of Solyndra's proposal for a loan guarantee in 2009, OMB posed a number of specific questions to DOE concerning DOE's proposed credit subsidy cost. In response to an inquiry from subcommittee staff, we provided a briefing on June 7 (including access to documents) identifying those questions and DOE's answers and explaining how they affected OMB's review of the proposed credit subsidy score. Subsequently, on June 23, your staff released a memorandum stating that the subcommittee's interest extends to OMB's role in "asking questions about any aspect of the loan guarantee, including its terms and conditions," from the onset of its consideration of the Solyndra application, in order to learn "whether OMB appropriately carried out its role to analyze the risks associated with the Solyndra guarantee."

In a further effort to accommodate the specific concerns raised in your staff's June 23 memorandum, OMB conducted a search of its files in order to identify all e-mails between OMB and DOE (and between OMB and Solyndra) that refer to Solyndra at any time during the foregoing period.**

* Please note that portions of these documents contain financial and proprietary information that may be covered by the Trade Secrets Act, 18 U.S.C. § 1905, as well as other potentially sensitive information. As such information would not be available to persons outside the Federal government, we respectfully request that this information not be shared outside the subcommittee without further consultation with OMB.

** Some of these documents also include discussions of other (non-Solyndra) loan guarantee transactions or DOE proceedings. While a number of these documents refer only briefly to the fact or status of the Solyndra transaction, we provided subcommittee staff with access to all documents containing references to Solyndra but redacted references to other transactions or proceedings. Please let us know if you have any questions about these redactions.

These materials made available yesterday total over 1,400 pages of e-mails and attachments thereto, and are in addition to the hundreds of pages of documents we have previously made available to subcommittee staff for review, as well as the more than 20,000 pages that we understand DOE has already provided to the subcommittee concerning this transaction. We believe that your staff's review of these communications should confirm several points that we have previously highlighted.

First, as one of the 16 proposed projects selected by DOE in 2007 to be invited to submit a full application for a loan guarantee, Solyndra's proposal was reviewed by DOE over the course of many months. Second, DOE provided periodic briefings updating OMB on the status of Solyndra's proposal, and in August 2009 DOE provided OMB with an updated Fitch credit appraisal and a proposed credit subsidy estimate for OMB's review and approval. Third, the questions OMB posed to DOE about the Solyndra application were previously identified (and documented) in our June 7 briefing for subcommittee staff.

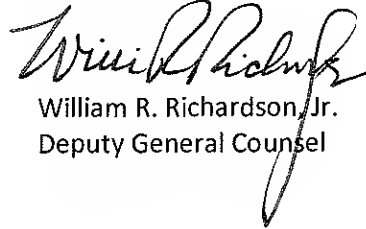
We believe that, with the addition of these materials, the subcommittee should be able to conduct its analysis of whether OMB appropriately carried out its role to analyze the risks associated with the Solyndra guarantee. As described in greater detail in my June 22 letter, this includes (1) all of the financial, technical, and other information provided by DOE upon which OMB relied in conducting its analysis of those risks, (2) all of the questions identified by OMB (or DOE) in the course of their communications, (3) all of the answers provided by DOE, (4) the specific effect of this information on OMB's evaluation of the credit subsidy score, and (5) detailed cash flow estimates that include disbursements, payments, and default and recovery rate assumptions underlying that final score.

As we have consistently stated and reiterated at yesterday's meeting with your staff, OMB is committed to working with the subcommittee to answer any further specific questions it may have in connection with OMB's role in the Solyndra transaction, in a manner that also reflects the established accommodation process between the Congress and the Executive branch. As you know, this process, which takes into consideration the need to preserve the confidentiality of the deliberations of staff within the Executive Office of the President, has been a well established one over the course of many different Administrations. At our meeting yesterday, subcommittee staff raised certain follow-up questions in light of their review of the documents. For example, staff asked for additional information about OMB's feedback to, or communication with, DOE during March-April 2009. Staff also asked whether a meeting occurred in connection with the transaction on April 3, 2009, and if so, whether additional information could be provided with respect to any such meeting. We have undertaken to get back to staff on these and other follow-up questions and will do so promptly. If your review of these materials raised any such further specific questions, please notify us.

We understand that the subcommittee also remains interested in reviewing OMB's role in connection with the subsequent restructuring of Solyndra. As we have previously discussed with subcommittee staff, OMB began its document reviews by concentrating first on documents relating to the initial Solyndra loan guarantee transaction. We are now engaged in identifying and reviewing documents covering the time period of the restructuring, and as noted at our meeting yesterday we

believe we will be in a position by the end of this week to discuss a process for accommodating the subcommittee's interest in documents in this category.

Sincerely,

A handwritten signature in black ink, appearing to read "William R. Richardson, Jr.", with a stylized, flowing script.

William R. Richardson, Jr.
Deputy General Counsel

cc: The Honorable Diana DeGette
Ranking Member, Subcommittee on Oversight and Investigations